

A Work Project, presented as part of the requirements for the Award of a Master Degree in Management from the NOVA – School of Business and Economics.

“SWIMMING IN A LAKE OF SHARKS: EDP’S ELECTRIC MOBILITY OFFER FOR  
THE B2B SEGMENT:  
BRANDING”

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## 1. BRANDING FOR THE B2B SEGMENT

According to Gupta (2015), there is not a consensus on the differences between branding for the business-to-business (B2B) segment and for the business-to-consumer (B2C) segment. However, some authors refer to the B2B public as more rational and focused on costs, revenues, and profits (Gupta 2015). This segment usually makes complex purchases that, in the majority of the cases, can have a high-impact in the companies' financials (Gupta 2015). Furthermore, not all branding techniques for the B2C segment can be applied, since they could lead to major investment losses (Gupta 2015). Additionally, purchasing decisions in the B2B segment fall on the companies' buyers, which can endanger their reputation and job position if they make risky purchases (Gupta 2015). Consequently, these characteristics should all be taken into consideration for B2B branding (Gupta 2015).

## 2. *EDP FROTA VERDE'S BRAND*

*EDP Frota Verde* is a new brand<sup>1</sup> of *EDP - Energias de Portugal, S.A.* (EDP) that delivers a turnkey solution for electric mobility for businesses. EDP is very well-established in the energy market in Portugal and its overall perception is positive, mostly due to the fact that 65% of the energy produced by EDP is green (EDP 2016), reason why *EDP Frota Verde* must exploit the corporate brand equity by being close to the corporate brand (Aaker 2004). And even though creating a new brand can be very costly, its advantages make it the best option since it is within the capacity of EDP (Aaker 2004). Please address section 4.1. Brand Portfolio Strategy for detailed information on the topic.

In 2011 EDP went through a rebranding process, which resulted in a more unified brand across countries (EDP n.d). Since then, all the brands in the portfolio share the same logo and include the corporate brand's name (EDP n.d). Thus, *EDP Frota Verde* should also be in line with the EDP corporate brand by inheriting its name, logo, and culture.

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<sup>1</sup> "Name, term, design, symbol, or any other feature that identifies one seller's good or service as distinct from those of other sellers." (AMA 2007)

### **3. BRAND IDENTITY**

#### **3.1. Brand Identity and Positioning**

According to Kapferer (2012), brands must be able to generate loyalty amongst customers. This can be achieved by carefully establishing its beliefs and values, which are the foundation of brand identity, making the brand unique and expressing its tangible and intangible value (Kapferer 2012). On the other hand, positioning refers to differentiating products or services from those of competitors in a defined market at a precise time in order to gain market share, allowing to compete in markets with different characteristics (Kapferer 2012).

To better understand the meaning of brand identity, one can think of it as a group of people sharing an opinion (Kapferer 2012). Communicating a brand is very similar to the situation previously described. In fact, it is no more than spreading the same unique message across different products or services, communications and actions (Kapferer 2012). For instance, when a brand portfolio faces differences between its brands' identities, there is a high probability of confusing customers' minds and therefore diluting those brands' images (Aaker 2004). Another reason that makes brand identity a priority is the fact that nowadays companies easily replicate products and services offerings, as well as statements (Kapferer 2012). In addition, regulations and technology force firms to opt for the same solutions and diffuse the differences between competitors (Kapferer 2012). As such, brand identity plays the role of differentiation amongst them (Kapferer 2012). Besides, brand identity (on the sender's side) is reflected in brand image<sup>2</sup> (on the receiver's side) playing a major role on how brands are perceived. (Appendix 1) (Kapferer 2012).

Brands are also often distinguished for their positioning, which gives emphasis to the aspects that make brands different from competition and tempting to consumers by addressing four simple questions (Appendix 2) (Kapferer 2012). This is required because consumers choose products and services based on comparing the available offerings of interest to them (Kapferer

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<sup>2</sup> The way the brand is perceived by consumers (Kapferer 2012).

2012). However, positioning a brand does not replace the posterior creation of a brand identity since the positioning cannot fully capture the essence of the brand (Kapferer 2012). Even though it is the basis of all decisions regarding what should be communicated, only identity contributes with the values feeding the brand inspiration and personality traces to the communication (Kapferer 2012).

As a result of dynamic markets and demand, brands suffer adjustments over the time, even though brand identity resists to change (Kapferer 2012). Please consult section 7.3 Positioning in the group report and appendices 3 and 4 for the detailed positioning statements of *EDP Frota Verde*.

### **3.2. Models of Brand Identity**

There are several models of brand identity, such as Jean Noel Kapferer's brand identity prism, David A. Aaker's brand identity system, and even proprietary frameworks - very similar to checklists (Kapferer 2012).

According to Kapferer (2012), brand identity can be represented by the brand identity prism, a six-sided prism composed by six aspects all interrelated: physical, personality, culture, relationship, customer reflection, and self-image. The sender is characterized by the physical and personality facets, whereas the recipient is defined by customer reflection and self-image (Kapferer 2012). Moreover, culture and relationship work as a bridge between the sender and the recipient (Kapferer 2012). Additionally, the facets represented to the left side of the prism represent the social character of the brand, and the ones to the right are incorporated in the brand's spirit (Appendix 5) (Kapferer 2012). In order to build a succinct, acute, and compelling identity prism, it must have strong and few words in each facet, which cannot be repeated in different facets of the identity (Kapferer 2012).

#### **3.2.1 *EDP Frota Verde's* Identity Prism**

As detailed in section 8.1.1 *EDP Frota Verde's* Identity Prism in the group report, the first facet of Kapferer's identity prism, physical, gives emphasis to the brand's tangible features which are

more visible for products than for services (Kapferer 2012). These features consist of the red colored logo, the website, the consultancy report, the typography, and the iconography.

Furthermore, every brand has a personality, even when it is not well-defined (Kapferer 2012). It combines a set of human personality traits that give character to the brand and is translated in the way the brand communicates, and can be quickly done by assigning a figurehead or a spokesperson to a brand (Kapferer 2012). If *EDP Frota Verde* was a person, it would be flexible and reliable, as well as socially and environmentally responsible. In addition, it would be dynamic and innovative. In the approach with others, it would be positive, friendly and comprehensive. This set of traits is fundamental to reach the targeted companies, to be able to communicate the new service and product offerings, and to generate sub-category need (Kapferer 2012).

The culture of a brand comprises the values that feed the inspiration of the brand (Kapferer 2012). It represents the principles that should be followed by every product, service or communication of the brand. *EDP Frota Verde*'s culture should be in line with the corporate brand's values, thus focusing on its three main pillars: innovation, humanity and sustainability. In this facet of brand identity, also the country of origin plays a role, responsible for the brand's tradition, encompassing sources, fundamental ideals and values (Kapferer 2012). Therefore, *EDP Frota Verde*'s culture also includes its Portuguese tradition.

Relationship is the counterpart given by the brand to its customers (Kapferer 2012). In other words, it refers to the exchanges between the brand and its customers (Kapferer 2012). *EDP Frota Verde*'s functional benefits delivered to its customers are bringing new electric mobility solutions to businesses, and delivering tailor-made solutions, one-stop shopping, and highly experienced professionals. As for the intangible benefits, these include reliable decision making supported by relationships, open communication with clients, and convenience.

The fifth aspect of the identity prism is customer reflection, the brand's desired or projected customer type (Kapferer 2012). One should notice that it does not refer to the target established in

the positioning, but only to the customer/consumer that the brand would like to portrait (Kapferer 2012). Hence, customers will be encouraged to buy/use the brand as a result of wanting to convey the image of being like the brand's ideal customer (Kapferer 2012). *EDP Frota Verde*'s aspired customer is a company located in Portugal looking for electric mobility solutions. This company is a forward-thinking company who sees opportunities in new technologies and is open to sustainability initiatives.

The last facet of the identity prism is self-image, representing the internal mirror of the brand's aspired customers (Kapferer 2012). By electrifying their fleets with *EDP Frota Verde*, customers will feel like they are making the best choice for their companies, by reducing mobility costs and keeping up with new trends. Some of the thoughts in their minds might be "I am reducing costs for my company by opting for electric mobility solutions", "I feel like I am improving my company's image by contributing to a better environment.", and "I feel like my company keeps up with the latest innovations.". In addition, the corporate brand might have an influence in customers' minds, which might think "I trust EDP because of its long experience in electricity and its continuous investment in R&D.".

When comparing *EDP Frota Verde*'s brand identity with the one from EDP, similarities fall on personality and culture, keeping the communication of the new brand in line with the corporate brand. On the contrary, most differences fall on the picture of the recipient, comprising customer reflection and self-image. This happens mostly because the new brand will demand a shift in customers' minds towards new mobility solutions. Please consult Appendixes 6 and 7 for an overview of *EDP Frota Verde*'s identity prism and EDP's identity prism, respectively.

## **4. BRAND ARCHITECTURE**

### **4.1. Brand Portfolio Strategy**

Brand portfolio strategy refers to defining the architecture of a brand portfolio and the way its brands relate to each other, specifying their scope and roles (Aaker 2004). It aims to create brand portfolios

with synergy, leverage and clarity, as well as differentiated, energized, and relevant brands. (Aaker 2004).

According to Aaker (2004), a fundamental concern of brand portfolio strategy is how to use branding in order to determine product advancements. Thus, signaling a change is only advantageous and pertinent when the product changes are relevant (Aaker 2004). When it proves to be relevant, the judgement lies between a branded feature, a new generation, or a new brand (Aaker 2004). The third signal, creating a new brand, can justify a sub-brand or a stand-alone brand, which is not directly linked to the already existing brands (Aaker 2004). For the purpose of this thesis, the first scenario was considered. The reasoning behind this choice is based on multiple factors. First, as *EDP Comercial* is already selling charging solutions to the B2C segment, *EDP Frota Verde*'s product offering is somewhat close to it. Secondly, *EDP Comercial* has a broad number of clients in the B2B segment from which *EDP Frota Verde* can benefit. In addition, firms with well-defined brands often struggle with restrained branding choices (Aaker 2004). EDP is not an exception, being closely associated with energy. Even though it can be a challenge to create credibility in different business areas, such as in the electric mobility solutions sub-category, sub-brands and branded components can help fighting against this obstacle (Aaker 2004).

It is extremely important to properly define the relationships between new brands, which allow firms to compete in different markets and address new segments, and existing brands, since the portfolio structure influences the success of the firms by determining if a business strategy will be well implemented (Aaker 2004). For instance, all brands must have a clear scope and an explicit role to play that must support all other brands to create synergies amongst them (Aaker 2004). As such, brands must not only have individual goals, but also team goals, keeping in mind that the importance given to each brand might be different, as well as the allocation of resources (Aaker 2004). Furthermore, there are other branding challenges such as the vulnerability of branded offerings, which can be overcome by capturing energy and points of differentiation with the help



of sub-brands and branded features (Aaker 2004). Moreover, portfolio tools allow strategic growth, such as entering new markets and enlarging the product offerings portfolio (Aaker 2004). This can be achieved by creating or acquiring new brands or leveraging the existing brands (Aaker 2004). At last, brand portfolio also assures customer relationship by certifying that brands do not get too confusing to customers for offering a broad set of products or targeting multiple and distinct segments (Aaker 2004).

#### **4.1.1. Dimensions of the Brand Portfolio Strategy**

According to Aaker (2004), the six dimensions of brand portfolio are (1) the brand portfolio, a set of brands managed by the organization, (2) product-defining roles and (3) portfolio roles, defining the roles played by the brands, (4) brand scope, focusing on the product/service category or sub-category, (5) portfolio structure, setting the relationship between the brands in the portfolio, and (6) portfolio graphics, revealing how brands must be communicated (Appendix 8).

EDP's brand portfolio includes *EDP Serviço Universal*, *EDP Soluções Comercias*, *EDP Distribuição*, *EDP Renováveis*, *EDP ES*, *EDP Comercial*, *EDP Valor SA*, *EDP Brasil*, *EDP Internacional*, *EDP Inovação*, and *EDP Produção*, and *EDP Frota Verde* will be added to the portfolio. This type of decision should always be carefully measured to make sure the new brand has a specific role that will add value to the portfolio (Aaker 2004). The ultimate goal is to meet the business objectives with the lowest number of brands possible (Aaker 2004).

Product-defining roles is related to how the brand is identified by customers and comprises (1) master brands, (2) endorser brands, (3) sub-brands, (4) descriptors, (5) product brands, (6) umbrella brands, (7) brand differentiators, and (8) brand alliances (Aaker 2004). In EDP's case, only master brands, sub-brands and product brands apply.

The first contact with a brand is determined by the master brand, which works as a point of reference. Besides, it can have sub-brands or be endorsed by other brands (Aaker 2004). EDP is a master brand because when customers have contact with EDP's sub-brands, the first brand they

react to is EDP. Moreover, sub-brands are generally used to target more specifically than the master brand by making changes in personality traces or attributes (Aaker 2004). Thus, the current brands in the portfolio are sub-brands under EDP. In addition, product brands are brands under the master brand and specify a product or service offering by using the master brand plus a descriptor or the master brand plus a sub-brand, which makes *EDP Frota Verde* a product brand under *EDP Comercial* (Aaker 2004).

Portfolio roles might change for different markets (Aaker 2004). These serve the purpose of allocating resources of brand-building and brand management in the best possible way, comprising (1) strategic brands, (2) branded energizers, (3) silver bullets, (4) flanker brands, and (5) cash cow brands (Aaker 2004). A strategic brand is a brand that is important for the firm and therefore should be provided with the necessary resources to succeed (Aaker 2004). This kind of brand can be a current power brand, a future power brand, or a linchpin power brand (Aaker 2004). *EDP Frota Verde* is a future power brand because it will only enter the market in July 2018. Besides, the brand will most likely generate a great number of sales in the future and is expected to be very profitable, as detailed in the section 11.2 Results in the group report. However, since in the first years it will have no current sales base, the organization must provide *EDP Frota Verde* the necessary resources to be a successful brand in the electric mobility solutions sub-category.

Sub-brands can be used to increase the scope of a master brand (Aaker 2004). However, there is a point where brands should no longer be extended since it can damage the differentiation and relevance achieved (Aaker 2004). *EDP Comercial* is currently targeting the B2B and the B2C segments in the electricity market, whereas *EDP Frota Verde* is targeting the B2B segment in the electric mobility solutions sub-category.

Furthermore, portfolio structure refers to the logic behind the relationships between the brands in a portfolio and englobes (1) brand groupings, (2) brand hierarchical trees, and (3) brand network models (Aaker 2004). The one which best fits EDP is the brand hierarchical trees, an

approach that represents horizontally the scope of the brands in terms of sub-brands, and vertically the number of sub-brands for each product-market entry (Appendix 9) (Aaker 2004).

Finally, portfolio graphics are the visual features of all brands in the portfolio, including the logo, the colours, the symbols, the font, the layout, and others (Aaker 2004). They can be used to distinguish the importance of the driver roles of more than one brand, to emphasize the separation of brands, or, as in EDP's case, to signal a grouping by using the same logo for all brands (Aaker 2004).

#### **4.2. Brand Relationship Spectrum**

The four pillars of the brand relationship spectrum are the (1) house of brands, (2) endorsed brands, (3) sub-brands, and (4) branded house, representing the degree to which brands are apart from each other in customers' minds (Aaker 2004). EDP's brand relationship spectrum is the fourth option, a strategy in which the master brand (EDP) plays the dominant driver role and serves as an umbrella under which its business units operate (Aaker 2004). Even though this can limit market expansion, it also allows implementing new products or services in the market without requiring high investments by taking advantage of the master brand's equity (Aaker 2004). Furthermore, when a brand struggle in a firm with this strategy, the entire branded house's sales and profit are affected (Aaker 2004). Despite the fact that in problematic situations it is usually harder for these brands to get back in track, the branded house strategy increases the goals of brand architecture: clarity, because customers know with certainty what the brand's offering is; synergy, due to the possibility of taking advantage of the awareness and associations of a brand in order to enter a different market; leverage, since the master brand is responsible for enhancing brand equity (Aaker 2004; Gupta 2015).

### **5. BRAND ELEMENTS**

Brand image is how the brand is perceived by the customers, and is impacted by the brand elements, the marketing program, and the communication program (Keller 2008). Therefore, the brand elements should incorporate what brands are trying to portray through its services and products aiming to distinguish brands (Keller 2008). The main brand elements are names, logos, symbols,

slogans, jingles, signs, packaging, spokespeople, characters, and website addresses. These elements help to increase brand awareness and create positive brand associations (Keller 2008). Furthermore, they should be memorable, meaningful, likable, transferable, adaptable, and protectable (Appendix 10) (Keller 2008).

As detailed in Appendix 11, not all criteria can be satisfied for each brand element, reason why it is necessary to combine them by evaluating its weaknesses and strengths (Keller 2008). In fact, brand elements are stronger when they reinforce each other, such as when the brand name is represented in the logo, making it easier to remember (Keller 2008).

All the brand elements created for *EDP Frota Verde* are in line with the EDP brand and its branding rules in order to not install confusion in customers' minds and to continue having a clear brand image (please refer to section 8.3 Brand Elements in the group report). The brand elements include the brand name, the logo, the website address, and the slogan. First, the new brand should be named *EDP Frota Verde*, thereby leveraging the EDP brand and delivering a recognizable and coherent roadmap to customers, as well as minimizing the confusion in customers' minds (Aaker 2004). Second, the logo remains the same as defined in EDP's re-branding process that took place in 2011, resulting from the combination of four layered shapes to build 85 unique EDP logo marks (circle, half-circle, square, and triangle) (EDP n.d). Furthermore, the brand also has a specific typography, EDP Preon (Appendix 12), and iconography (Appendix 13). Third, *EDP Frota Verde* will have its own tab in the website structure, possible to access in [www.edp.pt](http://www.edp.pt), where companies can get information about the services and products and fill in a contact form. Fourth, the slogan, "*Eletrifique a sua Frota com EDP Frota Verde*", must be used every time the brand communicates. It plays a very important role since it will be the first contact of companies with the brand and must be a call to action and self-explanatory regarding the brand's core service.

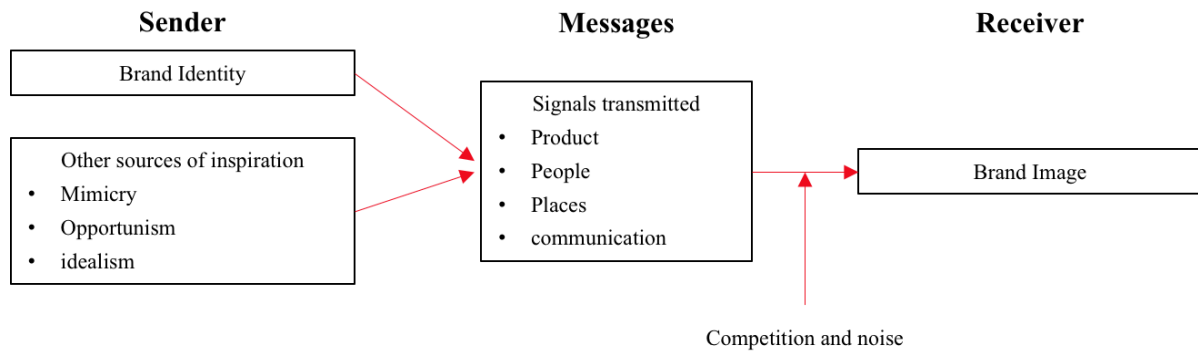
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# APPENDIX

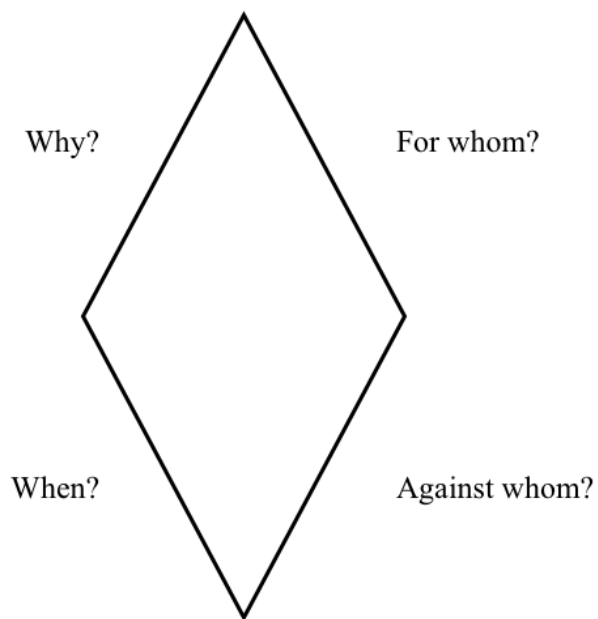
## BRANDING

### *Appendix 1 – Identity and image*



Source: Kapferer 2012

### *Appendix 2 – The ‘Positioning Diamond’*



Source: Kapferer 2012

### *Appendix 3 – EDP Frota Verde’s Positioning Statement to Large Companies*

**[Target]**

Large companies that already have a fleet and want to electrify it.

**[Frame of Reference]**

EDP Frota Verde is a brand of electric mobility solutions for businesses.

**[Points Of Difference]**

Offers a turnkey solution characterized by a one-stop shopping and consulting services for finding the optimal charging solution given their electric installations and the corresponding electric vehicles while also improving the company’s image and generating cost savings.

**[Reason to Believe]**

Due to the electric mobility and because it is provided by a brand of EDP Comercial, which is a well-established energy player in Portugal, with an expert team for electric mobility solutions for businesses.

Source: Author’s creation

### *Appendix 4 – EDP Frota Verde’s Positioning Statement to SMEs*

**[Target]**

Small and medium-sized companies that already have a fleet and want to electrify it.

**[Frame of Reference]**

EDP Frota Verde is a brand of electric mobility solutions for businesses.

**[Points Of Difference]**

Offers a convenient tailor-made service menu characterized by a one-stop shopping, ongoing support during the entire process and costs savings.

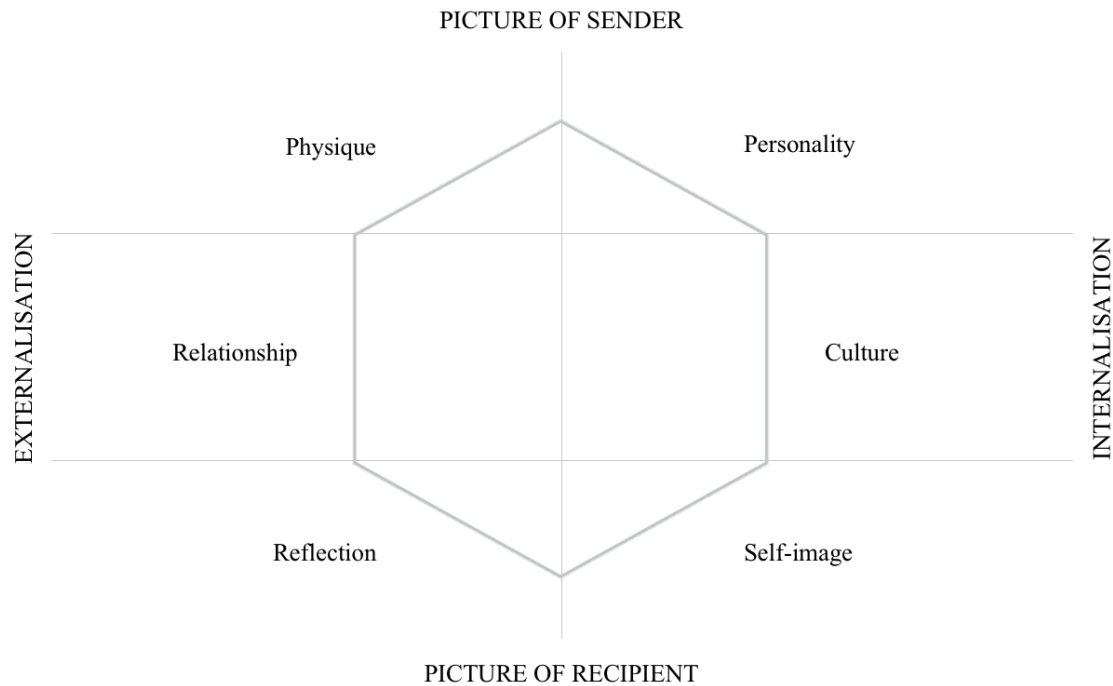
**[Reason to Believe]**

Due to electric mobility and because it is provided by a brand of EDP Comercial, which is a well-established energy player in Portugal, with dedicated sales people and an expert team for electric mobility solutions for businesses.

Source: Author’s creation



## Appendix 5 – Brand Identity Prism



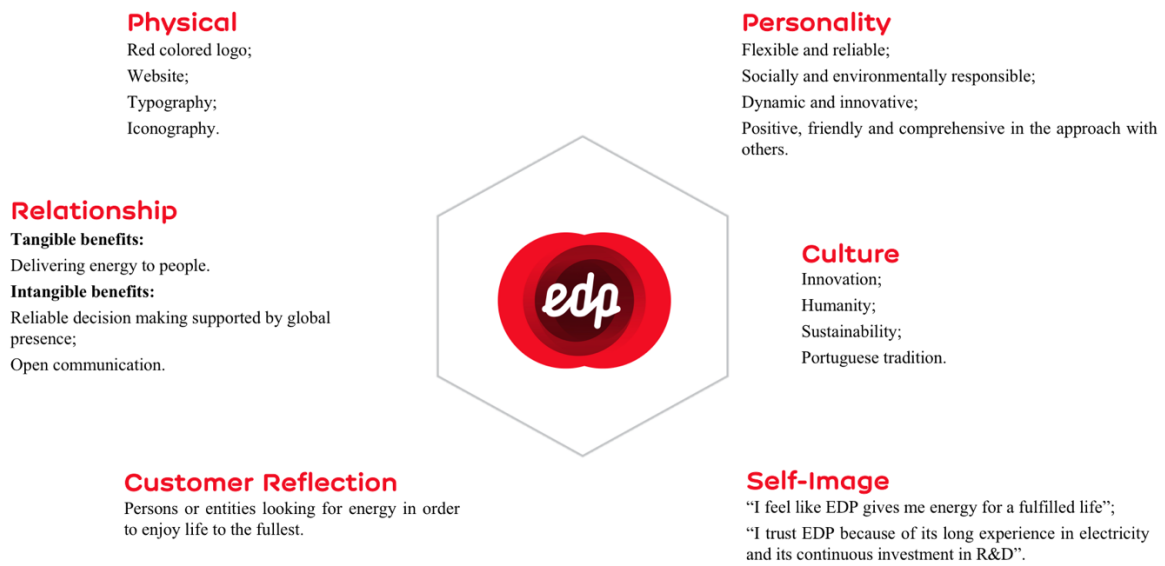
Source: Kapferer 2012

## Appendix 6 – EDP Frota Verde's Brand Identity Prism



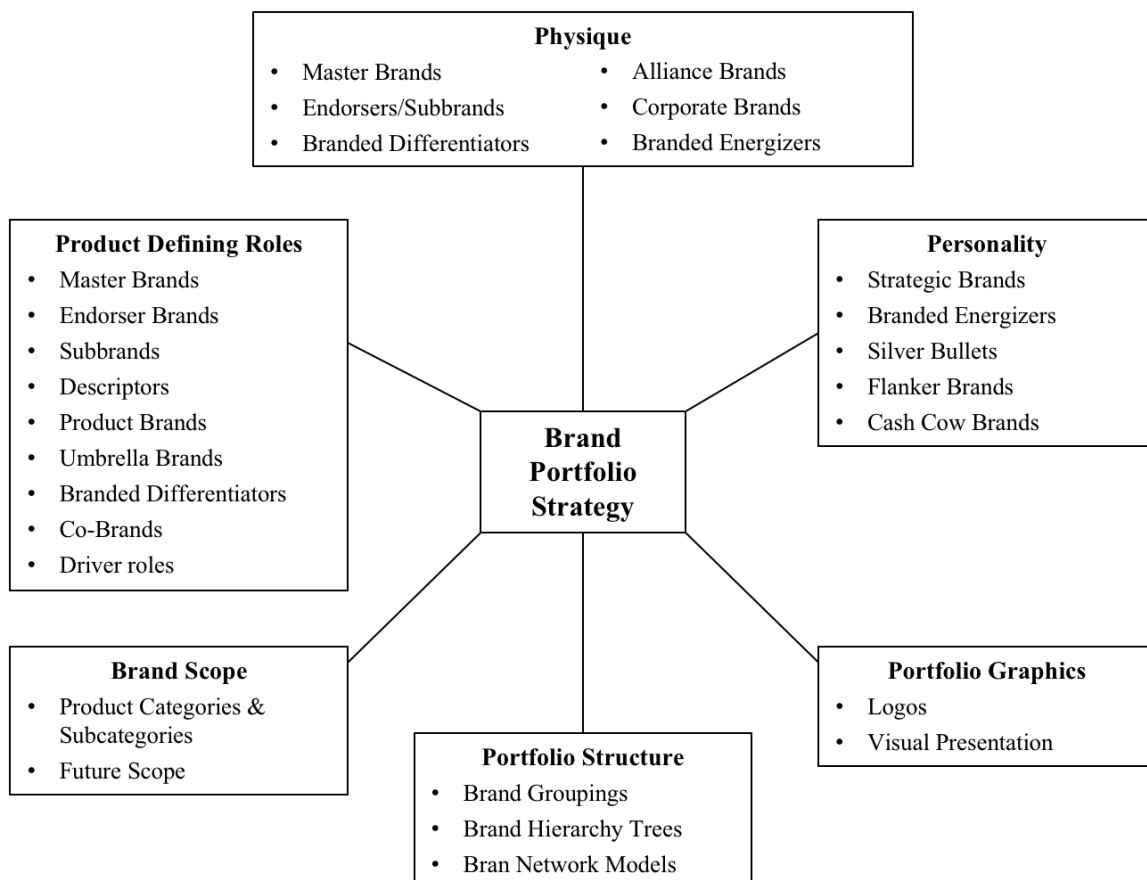
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## Appendix 7 – EDP's Brand Identity Prism



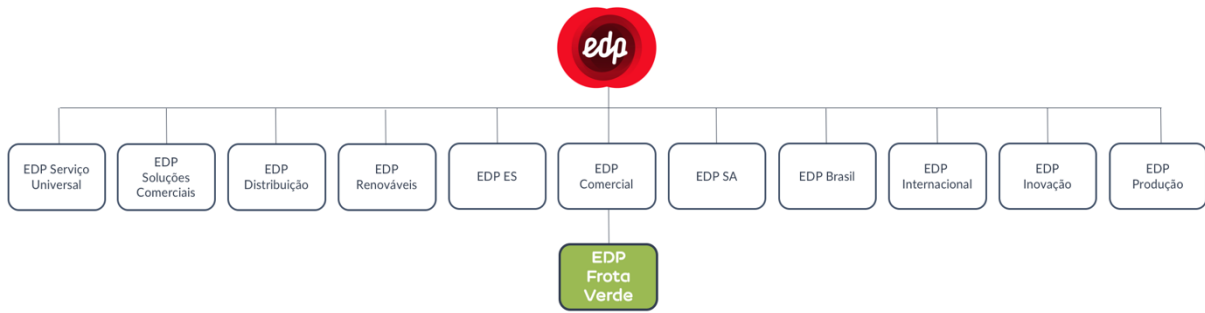
Source: Author's creation

## Appendix 8 – Brand Portfolio Strategy



Source: Aaker 2004

### Appendix 9 – EDP's Brand Architecture



Source: Author's creation

### Appendix 10 – Criteria for Choosing Brand Elements

1. Memorable	4. Transferable
• Easily recognized	• Within and across product categories
• Easily recalled	• Across geographic boundaries and cultures
2. Meaningful	5. Adaptable
• Descriptive	• Flexible
• Persuasive	• Can be updated
3. Likeable	6. Protectable
• Fun and interesting	• Legally
• Rich visual and verbal imagery	• Competitively
• Aesthetically pleasing	

Source: Keller 2008

## Appendix 11 – Critique of Brand Element Options

	Brand elements				
Criterion	Names and URLs	Logos and symbols	Characters	Slogans and jingles	Packing and signs
Memorability	Can be chosen to enhance brand recall and recognition	Generally more useful for brand recognition	Generally more useful for brand recognition	Can be chosen to enhance brand recall and recognition	Generally more useful for brand recognition
Meaningfulness	Can reinforce almost any type of association, although sometimes only indirectly	Can reinforce almost any type of association, although sometimes only indirectly	Generally more useful for non-product-related imagery and brand personality	Can convey almost any type of association explicitly	Can convey almost any type of association explicitly
Likeability	Can evoke much verbal imagery	Can provoke visual appeal	Can generate human qualities	Can evoke much verbal imagery	Can combine visual and verbal appeal
Transferability	Can be limited	Excellent	Can be limited	Can be limited	Good
Adaptability	Difficult	Can typically be redesigned	Can sometimes be redesigned	Can be modified	Can typically be redesigned
Protectability	Generally good, but with limits	Excellent	Excellent	Excellent	Can be closely copied

Source: Keller 2008

## Appendix 12 – Typography: EDP Preon



Source: EDP 2015

*Appendix 13 – Iconography*



Source: EDP 2015